

ASSEMBLY BILL

No. 562

Introduced by Assembly Member Williams

February 20, 2013

An act to add Section 53083 to the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 562, as introduced, Williams. Economic development subsidies: review by local agencies.

Existing law provides for various programs for economic development activities by state and local agencies.

This bill would, beginning January 1, 2014, require each local agency to provide specified information to the public before approving an economic development subsidy, as defined, within its jurisdiction, and to review, hold hearings, and report on those subsidies at specified intervals.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 53083 is added to the Government Code,
- 2 to read:
- 3 53083. (a) On and after January 1, 2014, each local agency
- 4 shall, before approving any economic development subsidy within
- 5 its jurisdiction, provide all of the following information in written
- 6 form available to the public, and through its Internet Web site, if
- 7 applicable:

1 (1) The name and address of the entity or individual that is the
2 beneficiary of the economic development subsidy, if applicable.

3 (2) The start and end dates and schedule, if applicable, for the
4 economic development subsidy.

5 (3) A description of the economic development subsidy,
6 including the estimated total amount of the expenditure of public
7 funds by, or of revenue lost to, the local agency as a result of the
8 economic development subsidy.

9 (4) A statement of the public purposes for the economic
10 development subsidy.

11 (5) Projected tax revenue to the local agency as a result of the
12 economic development subsidy.

13 (6) Estimated number of jobs created by the economic
14 development subsidy, broken down by full-time, part-time, and
15 temporary positions.

16 (b) Before granting an economic development subsidy, each
17 local agency shall provide public notice and a hearing regarding
18 the economic development subsidy. A public hearing and notice
19 under this subdivision is not required if a hearing and notice
20 regarding the economic development subsidy is otherwise required
21 by law.

22 (c) The information required to be provided in subdivision (a)
23 shall remain available to the public under existing state and federal
24 law and be posted on the local agency's Internet Web site, if
25 applicable, for the entire term of the economic development
26 subsidy.

27 (d) On or before October 1, 2015, and on or before October 1
28 in each odd-numbered year thereafter, the local agency shall
29 prepare a report for each economic development subsidy approved
30 after January 1, 2014. Notwithstanding the requirement to prepare
31 a report every two years, for an economic development subsidy
32 that will exist for 40 years or more, the report shall be prepared
33 only once every six years after the initial report. The report shall
34 contain the information described in subdivision (a). The local
35 agency shall make the report available to the public and through
36 its Internet Web site, if applicable. The report shall also contain
37 the following information, if applicable:

38 (1) The name and address of each entity or individual that is
39 the beneficiary of the economic development subsidy.

1 (2) The start and end dates and schedule for the economic
2 development subsidy.

3 (3) A description of the economic development subsidy,
4 including the estimated total amount of the expenditure of public
5 funds by, or of revenue lost to, the local agency as a result of the
6 economic development subsidy.

7 (4) The net tax revenue accruing to the local agency as a result
8 of the economic development subsidy.

9 (5) The net number of jobs created by the economic development
10 subsidy, broken down by full-time, part-time, and temporary
11 positions.

12 (e) On or before November 1, 2015, and on or before November
13 1 in each odd-numbered year thereafter, the local agency shall
14 hold a public hearing to consider any written or oral comments on
15 the information contained in the report prepared pursuant to
16 subdivision (d).

17 (f) The local agency shall provide a final report at the conclusion
18 of each economic development subsidy that shall contain the
19 information described in subdivision (d), in written form available
20 to the public, and through its Internet Web site, if applicable.

21 (g) Subsidies with a term of less than two years shall not be
22 subject to subdivision (d). However, the local agency shall
23 implement subdivision (f) within two years of the date the subsidy
24 is granted and hold a public hearing to consider any written or oral
25 comments on the information contained in the report prepared
26 pursuant to those provisions.

27 (h) As used in this section, the following terms have the
28 following meanings:

29 (1) "Economic development subsidy" means any expenditure
30 of public funds or loss of revenue to a local agency in the amount
31 of one hundred thousand dollars (\$100,000) or more, for the
32 purpose of stimulating economic development within the
33 jurisdiction of a local agency, including, but not limited to, bonds,
34 grants, loans, loan guarantees, enterprise zone or empowerment
35 zone incentives, tax-increment financing, fee waivers, land price
36 subsidies, matching funds, tax abatements, tax exemptions, and
37 tax credits. "Economic development subsidy" shall not include
38 expenditures of public funds by, or loss of revenue to, the local
39 agency for the purpose of providing housing affordable to persons

1 and families of low or moderate income, as defined in Section
2 50093 of the Health and Safety Code.

3 (2) “Local agency” means a city, including a charter city, county,
4 city and county, and community redevelopment agency.

5 SEC. 2. The Legislature finds and declares that the right of the
6 public to be informed of economic development subsidies approved
7 by their local agencies, as described in Section 53083 of the
8 Government Code, as added by Section 1 of this act, is a matter
9 of statewide concern, and not a municipal affair, as that term is
10 used in Section 5 of Article XI of the California Constitution.